



PUBLIC WORKS DEPARTMENT

CITY HALL

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CITY COUNCIL STAFF REPORT

Meeting: April 16, 2019

Subject

Update regarding City Hall Design/Delivery Strategy and Library Expansion Strategy

Recommended Action

Receive update and provide comments regarding a.) City Hall Design/Delivery Strategy; b.) Library Expansion Strategy

Civic Center Master Plan Background

On October 16, 2018, Council adopted Resolution No. 18-102 amending FY 18/19 Operating Budget to appropriate \$4,175,000 to Public Works. \$3,500,000 of the appropriation was for architectural design services for a New City Hall, \$500,000 for architectural design and other services as needed for an Interim City Hall; and \$87,000 to add one 3-year Limited Term Project Manager in the Department of Public Works. A summary of events preceding these most recent authorizations is included in Attachment A.

On September 19, 2018, the Cupertino City Council adopted the Vallco Town Center Specific Plan including resolutions to certify the Environmental Impact Report and associated General Plan Amendments. In addition, the City Council introduced and conducted the first reading to adopt a Development Agreement (DA) between the City and Vallco Property Owner LLC (Developer), as well as introduced and conducted the first reading for ordinances to amend the Municipal Code and the Zoning Map. On October 2, 2018, the Cupertino City Council conducted the second readings, adopted the DA and amended the Municipal Code and the Zoning Map.

The DA included a number of community benefits for the City had the Developer chosen to construct a project on the site that conformed to the Tier 2 option established in the Specific Plan. One of the community benefits included in the Development Agreement was a one-time payment of \$30,000,000 from the Developer to the City (In-Lieu Payment), or for the Developer to construct a core and warm shell building for a New City Hall, conforming to the preferred alternative from the Civic Center Master Plan.

With the referendum Certification of Sufficiency received on December 18, 2018 for the Vallco Specific Plan DA, the potential to proceed and receive those community benefits are currently undetermined. The Developers commitment and the City's responsibilities

to the New City Hall schedule and construction prior to the recent referendum is included as Attachment B.

The lowest total, all-inclusive estimate with contingencies and a \$300,000 allowance to facilitate a competitive design process is \$70,500,000. Attachment C shows how these numbers are determined as well as other cost options that may be considered depending on which location is desired for an interim City Hall. If Developer funds of \$31 million warm shell construction were to be realized and \$7-12 million of other savings made possible by working with the Developer, costs to the City had the potential to be lowered to \$27,500,000 to \$32,500,000.

Status of New City Hall Design

The design of a New City Hall has not started. Staff completed an evaluation of various options for an interim City Hall and is now ready to begin the design process of a New City Hall as authorized in October 2018.

As a goal of a New City Hall is to be a focal point of the community, staff will be proceeding with an architectural design professional selection process with two main goals. These goals include a process that generates a wide range of new ideas in the approach to a design and secondly to broaden public discussion about design as well as about the New City Hall project. The proposed process will be a multi-stage selection process that will include a design competition and will follow the Handbook of Architectural Design Competitions published by The American Institute of Architects (Attachment D). The architect selected at the end of the competition will be recommended for award of the New City Hall architectural design contract after a contract is successfully negotiated.

The first stage of this proposed process will be a Request for Qualifications from interested firms. In this stage, interested architectural firms will provide background and relevant experience of their firm as well as introduce the project team and their qualifications. A selection committee comprised of the City Manager, Director of Public Works, Director of Administrative Services, Director of Information Technology and the Building Official will evaluate the proposals and select the top six firms for interviews. From the six firms interviewed, the top three firms will be selected to participate in a design competition with New City Hall requirements provided. Each firm will receive a \$50,000 stipend to develop a conceptual design that meets the predefined requirements.

A five-member panel will then evaluate the three concepts. The City Council will select panel members from a cross section of the community. Panel representation may include:

- City Representative – Director of Community Development
- Neighborhood Representative
- Planning Commission Representative

- Chamber of Commerce Representative

Also to be included on the panel will be a Professional Advisor (PA). The PA will be a licensed architect selected by the City. The PA will be responsible for planning, organizing and running the design competition. To ensure an unbiased evaluation, the PA selected will be objective facilitator of the panel, have no other interest in the project, as either a designer, an investor or an employee of the City. The PA does not necessarily need to be selected the Public Works Department.

Concurrent to the panel receiving presentations and reviewing the conceptual designs provided by the three selected architectural firms, the City may elect to survey Cupertino residents on their preferred concept. The panel recommendation and survey results (if applicable) will be presented to the City Council for a final decision. The selection process will take approximately four months.

Logistics of Maintaining City Hall Operations

During the construction of a New City Hall, the existing City Hall will need to be vacated and relocating staff to a temporary facility will be required. Staff explored the following four options for an interim City Hall:

- Relocate to Monta Vista Recreation Center
- Relocate to a New Service Center Administration Building
- Relocate to leased space in Cupertino
- Relocate to modular buildings on Library Field

The existing square footage of City Hall is approximately 20,770 sf, and houses up to 115 employees. It was assumed that the same number of employees and departments would need to be accommodated in an interim facility.

Four potential interim City Hall options are summarized with pros and cons in Attachment E. In all four options, due to extensive infrastructure requirements necessary to support their operation, we propose to relocate City Channel operations to modular buildings located adjacent to Community Hall. Accompanying these buildings would be another building that would accommodate City Council and staff preparation for ongoing meetings that would continue to occur in Community Hall.

Condition of Existing City Hall

There are \$4.1M in high priority health and safety improvements needed at the existing City Hall. These improvements include seismic retrofit to current building code, a new larger elevator, an emergency generator replacement, a new heating, ventilation and air conditioning system upgrade, roof replacement, installation of a new electrical switchboard and electrical system replacement, lighting and lighting system upgrades and ADA improvements. Completion of these improvements will require relocation of

all City Hall staff. Other less serious health and safety improvements and operational changes are also needed and should be completed when the building is vacant.

A total improvement cost of \$22.3M, plus a minimum \$2.5M of funding for an interim City Hall, is needed and will be recommended in FY19/20 capital improvement program if in the event a New City Hall is delayed. These additional improvements would include office renovation/interior improvements, relocation of the permit center to the main floor, additional mechanical-electrical-plumbing system upgrades, ceiling and window replacements, and site/civil/landscaping improvements. These expenditures would not be required if a New City Hall project proceeds timely. Attachment C provides the cost breakdown.

Library Expansion Strategy

On July 15, 2015, the City Council approved the Civic Center Master Plan and adopted the Mitigated Negative Declaration. The plan approved a preferred alternative for the Library, which included a 130-seat addition to the Program Room with direct access from the exterior of the library. The Library expansion requires additional parking which would be satisfied by the 118 stall underground parking lot under the New City Hall. If the New City Hall is not constructed or if the library expansion precedes the New City Hall, additional parking will be required. The least expensive option would be to construct a surface parking lot on Library Field at a cost of \$1,500,000. The total cost of the preferred "Perch" library addition and required parking is shown in Attachment C and is estimated at \$10,047,000. Due to the impact on the public, if both the New City Hall and the Library Expansion were to move to construction, it would not be recommended to build both projects simultaneously. The Library expansion project should immediately follow the construction of the New City Hall.

Sustainability

The New City Hall, per the Civic Center Master Plan, will be at least LEED Silver rated.

Fiscal Impact

Currently \$3,500,000 has been authorized for the design of a New City Hall. In proceeding with this design, it is estimated that an additional \$67,000,000 of funding authorization will need to be made in the future. Current capital reserves total \$30,000,000. If all capital reserves were to be allocated to the New City Hall project and the majority of all other capital projects are not funded, an estimated \$37,000,000 of outside revenue will be needed for a New City Hall. The Library expansion amount of \$10,047,000 would be in addition to these needs. Due to these shortfalls in funding, staff will recommend in the upcoming April 30th Capital Improvement Program study session potential funding mechanisms for the New City Hall, Library Expansion and other capital improvement program projects.

Prepared by: Roger Lee, Acting Director of Public Works

Approved for Submission by: Timm Borden, Interim City Manager

Attachments:

Attachment A - Civic Center Master Plan Background

Attachment B – Vallco Town Center Development Agreement

Attachment C – City Hall Project Cost Summary

Attachment D – Handbook of Architectural Design Competitions (AIA)

Attachment E - Interim City Hall Options