

**CITY OF LONG BEACH**DEPARTMENT OF COMMUNITY DEVELOPMENT
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LONG BEACH, CA

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

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January 16, 2001

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Industrial Lease With PCH Properties, a California General Partnership, at 1400 Canal Street to Relocate the Police Department's Crime Lab and Property Storage (District 1)

DISCUSSION

The Federal Emergency Management Agency (FEMA) awarded the City \$9,900,000 as the federal share of a demonstration project to seismically retrofit the Public Safety Building. In November 1997, the City Council authorized \$6,000,000 for the grant-required local match (\$3,300,000) and to replace the 40-year old plumbing and mechanical equipment in the building (\$2,700,000). In February 1999, the City Council awarded a \$1,400,000 contract for architectural and engineering design services on the Public Safety Building to EQE International (please see the attached City Council letter regarding this contract).

The planned seismic retrofit of the Public Safety Building will require the relocation of almost all of the Police functions, with the exception of the Central Jail. Staff conducted a space plan study that identifies the uses which will return to the Public Safety Building once the seismic retrofit is complete. Not all of the uses currently in the Public Safety Building will return to the facility. Two such uses, the crime lab and property storage, require specialized improvements which make it both inefficient and cost prohibitive to include these uses in the relocation plan for the Edison Building during the seismic retrofit of the Public Safety Building. In addition, because of the length of time needed to construct these specialized improvements, it is necessary to relocate these uses as soon as possible in order to prevent significant delays to the seismic retrofit.

Staff is proposing to move the Police Department's crime lab and property storage functions to 1400 Canal Street. The proposed location is an industrial building located within the Westside industrial area. The building meets the requirements of the Police Department in terms of location, building size and building features.

HONORABLE MAYOR AND CITY COUNCIL

January 16, 2001

Page 2

The subject property is in good condition with virtually no upgrades needed for a private sector company to occupy the building. However, given that this will be a Police Department facility with specialty functions located in it, there are a number of necessary improvements needed to the building before occupancy by the Police Department. These improvements include additional security features such as cameras, security grills on all windows and skylights and new security doors, as well as interior improvements specifically related to the crime lab and property storage functions.

The proposed lease contains the following major provisions:

- Premises: The proposed premise is located at 1400 Canal Street within the Westside industrial area. The lease space is approximately 17,400 square feet and will include approximately 21 parking stalls, including a van-accessible handicap parking space.
- Length of Lease Term and Lease Options: The lease will commence on February 1, 2001 and will expire January 31, 2006. At the City's option, the lease may be extended for one five-year term.
- Use: The building will be used for the Police Department's crime lab and property storage functions.
- Rent: Base rent for the initial term will be \$10,170 per month, or \$.58 per square foot per month. In addition, the City will pay for annual property insurance of \$4,068 or \$339 per month. Total initial rent will be \$10,509 per month.
- Rental Increases: Future rent increases will reflect increases in the Consumer Price Index for Los Angeles/Orange Counties, not to exceed 4% annually.
- Tenant Improvements: The Landlord will provide a vacant space with electrical and mechanical systems in good working order. The Landlord will also provide up to \$10,000 in tenant improvements to meet ADA requirements, including signage, door handles, and restriping the parking lot to provide a van-accessible handicap parking space. The City will provide all other tenant improvements, specific to Police use.
- Utilities and Maintenance: The City will be responsible for paying its own utility costs as well as routine maintenance to the heating, ventilation and air conditioning system and the plumbing. The Landlord will be responsible for the maintenance, replacement and repair of the building's foundation, walls, roof and outside landscaping area.

PCH Properties will pay broker's fees to Colliers Seeley, who represented the City in this transaction.

Although the capital outlay for the move to this location is approximately \$1.9 million, more than \$1.1 million of this amount will be for equipment that will be owned by the City and could be used again in future locations. This equipment cost would be incurred by the City regardless of the location.

Deputy City Attorney James N. McCabe reviewed this item on January 3, 2001. Budget Bureau Manager Annette Hough reviewed this item on January 11, 2001.

TIMING CONSIDERATIONS

Timing of this item is critical due to the competitive real estate market and the timing of the Public Safety Building retrofit. In order to proceed with the retrofit of the Public Safety Building, the crime lab and property storage must be relocated. The City Council is therefore requested to take action on this item on January 16, 2001.

FISCAL IMPACT

Based on annual rent costs of approximately \$126,120, the cost for rent payments in FY 01 is approximately \$84,080. This expense is not budgeted; however the Police Department will attempt to absorb the cost within existing appropriation. Proposed Police-specific tenant improvement and equipment costs total \$1,875,319, including contingency. Of that amount, \$807,276 is designated for building upgrades, and \$1,068,043 for equipment. It is recommended that proceeds from the 1997 Civic Center bonds, which are appropriated for various public safety capital projects be dedicated to the required equipment purchases. While these bond proceeds may be used for the equipment and other portable assets, they may not be used for building upgrades on leased property. The Police Department will attempt to absorb the building upgrade costs within its current FY 01 appropriation.

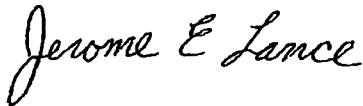
IT IS RECOMMENDED THAT THE CITY COUNCIL:

Authorize the City Manager to execute an industrial lease with PCH Properties, a California general partnership, at 1400 Canal Street to relocate the Police Department's crime lab and property storage.

Respectfully submitted,

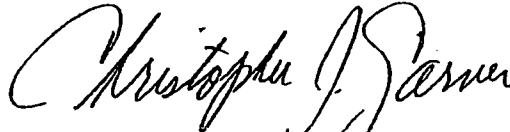


MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT




JEROME E. LANCE
CHIEF OF POLICE

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CHRISTOPHER J. GARNER
ACTING DIRECTOR OF PUBLIC WORKS

APPROVED:


HENRY TABOADA
CITY MANAGER *for*



CITY OF LONG BEACH

DEPARTMENT OF PUBLIC WORKS

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FILED 2/23/99
APP

PUBLIC WORKS - Working Together to Serve			
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February 23, 1999

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Agreement to Provide Architectural and Engineering Design Services for the Seismic Hazard Mitigation of the Public Safety Building (District 2)
COST: Up to \$1,400,000 (Federal Emergency Management Agency [FEMA] Hazard Mitigation Grant and Civic Center Fund)

It is recommended that the City Council request the City Attorney to prepare and authorize the City Manager to execute an agreement with EQE, International to provide the architectural and engineering design services required for the development of plans and specifications to address the seismic retrofit and hazard mitigation of the Long Beach Public Safety Building. The agreement will be for a term of two years and an amount not to exceed \$1,120,000, plus 25 per cent of the agreement amount (total authority of \$1,400,000) for additional services that may be required to meet the purposes of the supporting FEMA grant. These funds are budgeted under CIP PW4260. It is also recommended that the City Manager be authorized to execute contract amendments as necessary to keep the project on schedule and within the total approved authority.

BACKGROUND

On September 26, 1995, the City Council authorized the City Manager to apply for Federal grant funds from FEMA under the Hazard Mitigation Grant Program (HMGP), which was established through the Stafford Disaster Relief and Emergency Assistance Act of 1988. The purpose for the grant was to support the hazard mitigation and seismic retrofit of the Long Beach Public Safety Building.

Working with the California State University, Long Beach (CSULB) Foundation and its Center for Protection Against Natural Disasters (CPAND), the City developed a comprehensive program to mitigate seismic hazards in the building, bring the building into compliance with current seismic building codes and to fully instrument the building to allow long-term monitoring of the seismic condition of the building. The grant application, entitled "City of Long Beach Public Safety Building Structural Seismic Upgrade Project Proposal," was submitted in late September 1995 to the California Governor's Office of Emergency Services (OES), as the state agency responsible to FEMA for reviewing

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HONORABLE MAYOR AND CITY COUNCIL

February 23, 1999

Page 2

California applications submitted under the HMGP. The combined grant requested \$32,508,000 for the project (\$24,123,000 City/\$8,385,000 CSULB Foundation).

After a series of meetings with OES staff in early 1996, an Addendum to the City's grant application (HMGP 1008-3132) was prepared to provide clarification and additional information regarding the project budget and the CSULB/CPAND demonstration element (instrumentation phase) of the proposal. The Addendum was submitted in July 1996. In October 1996, OES forwarded the grant application to FEMA recommending approval. In January 1997, FEMA determined the maximum allowable cost of the City project to be \$8,400,000. Additional coordination with FEMA and OES resulted in the development and approval of an alternative plan for grant reconsideration, with the following components:

- 1) CSULB Foundation/CPAND received separate FEMA/OES funding of the demonstration project (\$8,348,000 total grant).
- 2) The CSULB Foundation/CPAND project was approved, contingent upon the final reconsideration of the City of Long Beach application and the City's acceptance of the grant.
- 3) FEMA/OES provided grant funding for a phased approach to the City's project. Phase I required an Architectural and Engineering (A&E) Assessment of the Public Safety Building, to better validate the condition of the building and refine the elements and estimated cost of the proposed project.
- 4) Based on the results of the A&E Assessment, FEMA/OES would determine the maximum allowable Phase II grant funding level for the design and construction of the project and propose the grant to the City for acceptance.

On August 20, 1997, OES advised the City that FEMA had obligated funds for Phase I of the project. A Request for Proposals was prepared and issued, and four technically competitive proposals were received. Based on a thorough evaluation, a team of firms was selected to complete the project. The team included EQE, International, the Nadel Company architects and O'Conner Construction Management. City Council authorized an agreement with the EQE Team on December 9, 1997. The A&E Assessment conducted by EQE was formalized into a report and submitted to FEMA/OES in May 1998. The report included a revised mitigation program for the Public Safety Building, which was estimated to cost \$25,000,000. On August 19, 1998, FEMA proposed a significantly scaled back project of \$13,200,000 (\$9,900,000 federal share/\$3,300,000 local match). Discussions with EQE confirmed that the most critical components of the mitigation program could be accomplished within the proposed grant funding level. Based on that assessment, the compelling need to mitigate hazards and seismically retrofit the Public Safety Building, and the availability of federal funds for that purpose, the FEMA grant proposal was accepted.

On November 11, 1997, City Council authorized that \$6,000,000 in proceeds from the issuance of Civic Center Lease Revenue and Refunding Bonds be used for repair of the Public Safety Building. The FEMA grant requires a 25% local match of \$3,300,000. The \$6,000,000 for repairs has been budgeted for this project to provide the local match and enhance the scope of the project.

The current action requested is to initiate the design phase of the project. At the conclusion of the design phase, City Council will be asked to review and approve plans and specifications for the mitigation project and to authorize solicitation of construction bids. Additionally, Council consideration and approval of the construction contract will be required. The proposed schedule calls for six to eight months to complete the required Scope of Work for the project design. The term of this contract is proposed for 24 months to accommodate post-design services during construction.

This letter was reviewed by Deputy City Attorney Donna Gwin on February 3, 1999.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

- (1) Request the City Attorney to prepare and authorize the City Manager to execute an agreement with EQE, International to provide architectural and engineering design services for the development of plans and specifications to support the seismic retrofit and hazard mitigation of the Long Beach Public Safety Building.
- (2) Authorize the City Manager to execute the agreement for a period of two years in the amount of \$1,120,000, plus 25 per cent of the agreement (total authority \$1,400,000) for additional services that may be required to meet the purposes of the supporting FEMA grant.
- (3) Authorize the City Manager to execute contract amendments as necessary to keep the project on schedule and within the total approved authority.

Respectfully submitted,



RAYMOND T. HOLLAND
DIRECTOR OF PUBLIC WORKS

APPROVED:



HENRY TABOADA
CITY MANAGER