



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

R-12

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PATRICK H. WEST
CITY MANAGER

October 22, 2013

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Receive a presentation on the new City Hall seismic study;

Authorize the City Manager to prepare and issue a Request For Proposals to the selected Short List of RFQ Respondents to Design, Build, Operate, Finance and Maintain a new Civic Center; and

Consider the establishment of a Committee consisting of members of City Council and Board of Harbor Commissioners for the purposes of guiding the preparation of the Request for Proposals and other purposes related to the new Civic Center. (District 2)

DISCUSSION

In May 2007, the Department of Public Works presented findings of a study that identified the seismic deficiencies of the existing Long Beach City Hall. This study, and a parallel report identifying the current physical condition of City Hall, concluded that necessary seismic renovations to protect lives during a significant seismic event, required building code upgrades, systems replacements and overall maintenance, soft costs, and lease of temporary facilities during renovations would total an estimated \$170 million in 2013 dollars. Even with this investment, after such a significant seismic event, City Hall could not likely be occupied, and essential government operations would be sporadic and fragmented at best until undamaged and available facilities could be identified and leased. Additionally, the Main Library suffers from similar seismic and building deficiencies.

On February 12, 2013, the City Council requested staff to update the seismic report on City Hall, either through a peer review of the previous study or, if warranted, a new seismic study. Given the original study was performed in 2005 and newer established criteria that assess building performance during a seismic event now exist, staff commissioned a new seismic report. The conclusions confirm the precarious stability of City Hall and the extensive renovations necessary to retrofit the building to perform in a seismic event. The study concluded that action must be taken immediately to either retrofit or construct a new facility. Staff will be presenting more details and information related to the new seismic study at the City Council meeting.

When seismically retrofitting a building, additional code and ADA required upgrades are triggered. Current deficiencies in the building systems (mechanical, electrical and plumbing), as well as ADA access and egress issues, have to be addressed as part of any retrofit project. In addition, there would be a cost to relocate into temporary facilities while the retrofit and upgrades are underway. The current costs for additional seismic retrofitting and asbestos abatement are estimated to be \$67 million; the current costs for building upgrades and deferred maintenance are estimated to be \$65 million and the current costs for design, engineering, construction management, and temporary relocation and tenant improvements are estimated to be \$62 million. Total current costs are estimated at \$194 million or \$685 per square foot. An additional \$70 million for maintenance and upgrades will be needed over the following 35-year life cycle. It must be noted that the retrofit is modeled to prevent building collapse. In the event of a significant seismic event, the building would still not be functional.

The standard methodology for determining whether a building should be repaired or replaced is known as the facility condition index (FCI). The higher the FCI, the poorer the condition of the facility. Industry standards establish that a building or structure with an FCI above 10 percent is determined to be in poor condition, and when the level is at or above 50 percent, the building should be replaced rather than repaired. Without the cost for seismic retrofitting, the current FCI for City Hall is 52 percent. After retrofit and upgrades, the 35-year life cycle cost for City Hall of \$70 million, mentioned above, would be to maintain the existing FCI of 52 percent. The current FCI for the Main Library is 73 percent.

Taking the cost for seismic retrofitting and code required upgrades into consideration, the City would need to identify and invest \$264 million over the next 35 years. This investment would address life-safety deficiencies and maintain the building at an FCI of 52 percent, but it would not extend the useful life of the building following a seismic event.

Together, the new seismic report and Facilities Condition Assessment Report, are intended to establish the baseline costs for comparison to the life cycle costs of a new City Hall.

City Council further requested an update on the potential offsite leases that could be terminated and eventually assimilated into a new City Hall. This list of potential leases is detailed on the attached Exhibit A.

At that same meeting, the City Council authorized the release of a Request for Qualifications (RFQ) for the development, construction, operation and maintenance of a new Civic Center, including a new City Hall and Main Library. Subsequently, at their meeting of April 1, 2013, the Board of Harbor Commissioners agreed to participate in the RFQ process in contemplation of a possible new Port Headquarters being part of the new Civic Center. The RFQ identified the Civic Center site as a 15.87-acre "mega-block" that includes City Hall, the Main Library, the Broadway Garage, Lincoln Park and Lincoln Garage, the site of the former State Courthouse, and the surface parking lot at 3rd Street and Cedar Avenue. The RFQ was released on April 26, 2013 and closed on July 26, 2013. Seven responses were received and all seven respondent teams were interviewed by an internal panel consisting of representatives from the City Manager's Office, the Departments of Financial Management, Development Services, Library Services and Business and Property Development, and from the Harbor Department.

Based on the RFQ submissions, previous experience with public projects of similar size and complexity, familiarity with Performance Based Infrastructure, financial capacity and expertise related to both debt and equity, successful reference checks, interviews and overall quality and cohesiveness of team members, the following three respondent teams are being recommended for further consideration:

- Related California
- Long Beach CiviCore Alliance
- Plenary-Edgemoor Civic Partners

The next step in re-visioning the Civic Center is to prepare a Request for Proposals (RFP) to design, build, operate, finance and maintain a new Civic Center and to issue the RFP to the Short List of RFQ Respondents listed above.

To facilitate transparency, solicit high-level input, and ensure ongoing support, staff recommends the formation of a Civic Center re-visioning Committee, consisting of a number of both City Council and Board of Harbor Commission members. This Committee would receive the results of community outreach efforts, review conceptual design guidelines, provide suggestions and modifications, and approve the RFP prior to its release. Initial Committee composition for consideration would include three City Councilmembers and two Board of Harbor Commissioners. Formal establishment of such a Committee and designation of its members would require an independent future City Council action.

In order to properly develop an RFP that reflects the desires of the community, the City Council, and the Board of Harbor Commissioners, a robust community outreach and engagement effort will be included in order to establish appropriate design guidelines and public amenities. Additionally, independent, comprehensive, risk-sensitive financial support, and premier architectural guidance will be required in order to develop a reliable, supportable and informed scope of an RFP. To that end, staff solicited proposals from qualified consultants for these services. A request for authority to enter into one or more contracts will be presented to City Council in an upcoming meeting in early November.

In summary, given both the results of the original seismic report performed in 2005 and the new seismic report using more current established criteria, it remains clear that City Hall is at significant risk during and after a seismic event. With an eight year perspective on the alternatives, a decision must be made as to how best to address the seismic issues associated with the current City Hall building. Considering the investment that would be required to seismically retrofit City Hall, the additional costs related to code required upgrades, and knowing that even with that investment, City Hall would still be functionally obsolete and uninhabitable in the event of a significant seismic event, staff recommends proceeding expeditiously with the preparation of the RFP and selection of a development team to construct a new City Hall. Only construction of a new building to current seismic standards will provide for the continued use of a building after a significant seismic event.

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This matter was reviewed by Deputy City Attorney Richard F. Anthony on October 14, 2013 and Budget Management Officer Victoria Bell on October 9, 2013.

TIMING CONSIDERATION

City Council consideration at its meeting of October 22, 2013 is essential to maintaining the aggressive timeline established in February 2013.

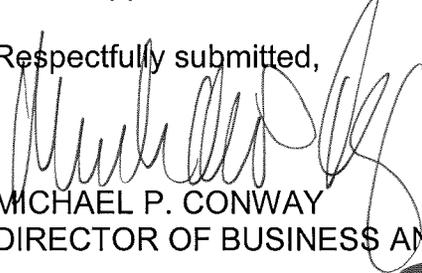
FISCAL IMPACT

There is no fiscal impact related to the recommended actions. However, a future agenda item for City Council's consideration will involve one or more contracts with financial, architectural and community outreach consultants. Consultant costs for the development and preparation of the RFP, responses to requests for information, participation in presentations to City Council and Board of Harbor Commission, and participation in the selection process for a development partner will be significant. Sufficient funding for these services is anticipated to be absorbed in the Civic Center Fund.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

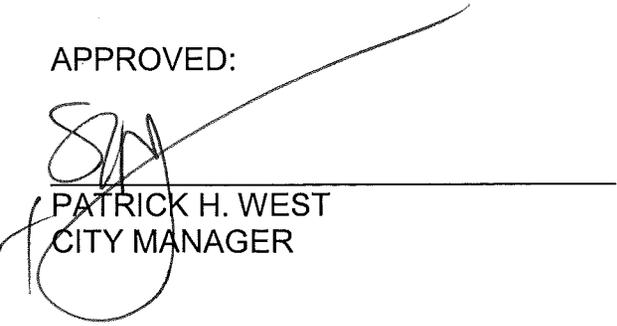


MICHAEL P. CONWAY
DIRECTOR OF BUSINESS AND PROPERTY DEVELOPMENT



ARA MALOYAN, PE
ACTING DIRECTOR OF PUBLIC WORKS

APPROVED:



PATRICK H. WEST
CITY MANAGER

Exhibit A

CITY-LEASED OFFICE SPACE CANDIDATES FOR CIVIC CENTER RELOCATION

Contract No.	Department	Contract Description	Tenant (Lessee)	Site Address	Size (RSF)	Contract Termination	Current Monthly Base Rent	City Employee Count	Parking Count	Monthly Parking Charges	Other Monthly Charges/CAMs	
26453	Development Services	Lease / 2nd Amend	Neighborhood Resource Center	425-427 Atlantic Avenue	2,715	11/30/2014	\$3,166	10	9	\$0	\$965	
26422	Health	Lease / 1st Amend	Housing Authority	521 E. 4th Street	13,662	3/31/2015	\$15,704	60	80	\$2,813	\$4,651	
30534	City Manager	Lease / 1st Amend	Special Events and Filming	211 E. Ocean Boulevard, Suite 410	2,548	7/31/2015	\$5,733	7	12	\$825	\$0	
24851	Tech Services	Lease / 3rd Amend	Video Comm. Division	236 E. 3rd Street, Suite 205 and 230	4,352	2/28/2017	\$6,528	5	9	\$495	\$0	
25776	Public Works	Lease / 2nd Amend	Veterans' Organizations	295 E. 3rd Street	3,903	6/30/2017	\$6,350	0	0	\$0	\$3,112	
29422	Development Services	Lease / 1st Amend	Code Enforcement- Neighborhood Services	100 W. Broadway, Suites 400 and 550	23,518	10/31/2017	\$37,629	57	57	\$3,705	\$0	
25165	Human Resources	Lease / 7th Amend	Career Transition Center	3447 Atlantic Avenue	35,701	1/31/2018	\$67,832	40	112	\$0	\$5,980	
27760	Tech Services	Lease / 1st Amend	Wireless Communications Division	5580 Cherry Avenue	26,100	9/30/2022	\$13,050	16	16	\$0	\$0	
							\$155,992	195	295	\$7,838	\$14,708	
							112,499					
							TOTAL MONTHLY COST					\$178,538